

STAFF REPORT

Date: November 8, 2017

To: Mayor and City Council

Thru: Sabra Newby, City Manager

Subject: I.4. Staff Report (For Possible Action): Ordinance Introduction - Bill No. _____ Ordinance to amend Title 4, Chapter 4.04, entitled "General Provisions" of the Reno Municipal Business License Code, Sections 4.04.150 and 4.04.180 to revise standards for license suspension or revocation and duties of licensee; together with other matters properly relating thereto.

From: Michael Chaump, Business Relations Manager

Summary: This is a request to amend Title 4, Chapter 4.04 of the Reno Municipal Code (RMC) entitled "General Provisions", by revising Section 4.04.150 and Section 4.04.180 to add additional clarity of the standards for license suspension or revocation and duties of licensees; together with other matters properly relating thereto.

Background: Title 4 of RMC established the minimum procedural requirements for business licenses issued by the City and is known as the Business License Code. The provisions of this title apply to all businesses in the City, including licenses pertaining to privileged businesses or franchises (Title 5). Nothing in this title shall be deemed or construed to exempt an organization from complying with provisions of any other ordinance of the city, including but not limited to permit requirements, zoning requirements, nuisance ordinances and restrictions on privileged or legal activities.

Discussion: The proposed changes to RMC Title 4, Chapter 4.04, Section 4.04.150 entitled "Grounds for denial, revocation, suspension and summary suspension of license; grounds for denial of application or renewal" include the addition of clarifying language to the standards used in determining grounds for suspension or revocation and summary suspension by the order of the police chief or fire chief whenever there is probable cause to believe that extraordinary circumstances have arisen which are an immediate threat to public health, safety or welfare of the public.

The proposed changes to RMC Title 4, Chapter 4.04, Section 4.04.180 entitled "Duties of licensee" include the removal of duplicative language and the addition of minor grammatical changes to provide additional clarity and readability to the standards of conduct.

Financial Implications: None at this time.

Legal Implications: Legal review completed for compliance with City procedures and Nevada Law.

Recommendation: Staff recommends Council refer Bill No. _____ for a second reading and adoption.

Proposed Motion: I move to refer Bill No. _____ for a second reading and adoption.

EXPLANATION: Matter underlined is new; matter in brackets and stricken [--] is material to be repealed.

BILL NO.

ORDINANCE NO.

ORDINANCE TO AMEND TITLE 4, CHAPTER 4.04, ENTITLED "GENERAL PROVISIONS" OF THE RENO MUNICIPAL BUSINESS LICENSE CODE, SECTIONS 4.04.150 AND 4.04.180 TO REVISE STANDARDS FOR LICENSE SUSPENSION OR REVOCATION AND DUTIES OF LICENSEE; TOGETHER WITH OTHER MATTERS PROPERLY RELATING THERETO.

SPONSORED BY: COMMUNITY DEVELOPMENT, BUSINESS LICENSE DIVISION

THE CITY COUNCIL OF THE CITY OF RENO DOES ORDAIN:

SECTION 1 Title 4, Chapter 4, § 4.04.150 of the Reno Municipal Code is hereby modified, in accordance with Nevada Revised Statutes, to read as follows:

Sec. 4.04.150. – Grounds for denial, revocation, suspension and summary suspension of license grounds for denial of application or renewal.

Any application or renewal submitted to the city license office pursuant to this title may be denied for the following causes:

- (1) The application or any other document is incomplete or contains false, misleading or fraudulent statements;
- (2) The applicant or any of its principals fails to satisfy any qualification or requirement imposed by this title, or other local, state or federal laws or regulations that pertains to the particular license;
- (3) The applicant or any of its principals is or has engaged in a business, trade or profession without having obtained a valid license, permit or work card when such applicant or principal knew or reasonably should have known that one was required;
- (4) The applicant or any of its principals has been subject, in any jurisdiction, to disciplinary action of any kind with respect to a license, permit or work card to the extent that such disciplinary action reflects upon the qualification, acceptability or fitness of the applicant or principal to conduct such a business;

- (5) The applicant or any of its principals has been convicted of any crime that involves any local, state or federal law or regulation arising out of the operation of a similar business;
- (6) The applicant or any of its principals has been convicted of a crime as a result of having perpetrated deceptive practices upon the public within the last ten years;
- (7) The applicant or any of its principals suffers from a legal disability under state or federal laws;
- (8) The premises on which the business is proposed to be conducted does not satisfy all local, state or federal laws or regulations which relate to the activity that is to be licensed; or
- (9) The applicant or any of its principals is in default on any payments owed to the city.

Grounds for suspension or revocation:

Any license issued pursuant to this title may be revoked or suspended by the city, after notice and opportunity to be heard as provided in this title, for any of the following causes:

- (1) Any fraud, misrepresentation or false statement contained in the application for license or renewal;
- (2) Any fraud, misrepresentation or false statement made in connection with conducting the business licensed under this title;
- (3) Any violation of any law related to the operation of the business including but not limited to [the] provisions of the Reno Municipal Code, the Nevada Revised Statutes or Federal law;
- (4) Any act or omission by the licensee or his employees or his agents, related to the operation of the business licensed, which ~~[is a threat to the public health, safety, morals or welfare or]~~ violates any law including but not limited to provisions of the Reno Municipal Code, the Nevada Revised Statutes or Federal law or constitutes a breach of the peace or nuisance under Reno Municipal Code, Chapter 8.22[-] ;
- (5) Knowingly, or under circumstances that reasonably indicate knowing or willful ignorance of criminal activity, allowing, permitting, aiding, fostering or promoting the conduct of criminal activity on the property of the licensed business, including failing to take reasonable measures to abate, decrease or lessen the frequency or severity of such conduct after receiving notice that such conduct is occurring on the property or otherwise becoming aware of such conduct; or
- (6) The non-payment of any amounts owed to the city.

Grounds for summary suspension:

Any license issued pursuant to this title shall be subject to summary suspension by order of the chief of police or by the fire chief whenever there is probable cause to believe that extraordinary circumstances have arisen which are an immediate threat to the public health, safety~~[-morals]~~ or welfare and that business operations pursuant to that license increase the level of that threat.

- (1) An order of the chief of police or the fire chief pursuant to this section prevails over all other provisions of this title pertaining to suspension of a business license. A suspension may continue until the conditions warranting the order have ceased.

SECTION 2. Title 4, Chapter 4, § 4.04.180 of the Reno Municipal Code is hereby modified, in accordance with Nevada Revised Statutes, to read as follows:

Sec. 4.04.180. - Duties of licensees.

General standards of conduct. Every licensee under this title shall:

- (1) **Comply with governing law.** Ascertain and comply at all times with all laws and regulations applicable to such licensed business, including but not limited to, any changes in the Reno Municipal Code that may be imposed after the issuance of a license.
- ~~[(2) **Operate properly.** Avoid all prohibited practices or conditions which do or may affect the public health, safety, morals or welfare.]~~
- ~~(2)~~ [(3)] **Supervise employees.** Be responsible for the conduct of all employees or agents thereof where such conduct would be a violation of the provisions of this title if engaged in by the licensee.
- ~~(3)~~ [(4)] **Display license.** Display all licenses issued pursuant to this title in a conspicuous place at the licensed business. Every person having such a license[s] and not having a fixed place of business shall carry such license[s] with him at all times while carrying on the business for which the license[s] was issued and shall exhibit the license[s] whenever requested by any authorized person. Branch establishments or locations grouped under a single license shall display a copy of such license in a conspicuous place at each branch establishment or location.
- ~~(4)~~ [(5)] **Cease business.** Refrain from operating the licensed business after expiration of the license and any applicable grace periods and during any period the license is revoked or suspended.
- ~~(5)~~ [(6)] **Maintain records.** Be responsible for maintaining the records of the business and shall:
 - a. Keep such records as may be necessary to determine the amount of business license fees, or any other records required by Title 4 or Title 5 of the Reno Municipal Code.
 - b. Preserve such records for not less than four years or until any proceedings under the Reno Municipal Code pertaining to the business are finally concluded, whichever is longer; and
 - c. Make the records available for inspection by the city upon demand at reasonable times.
- ~~(6)~~ [(7)] **Permit inspection or audit.** Permit reasonable inspections of the business and examination of its books by the city and all authorized persons.
- ~~(7)~~ [(8)] **Notify of changes.** Assure that a current and correct name, business address, business phone, residence address, residence phone and mailing address for each owner or principal of the business are on file with the city. Whenever a business address changes, the licensee must notify the city license office a minimum of three days prior to the date the new business location will be used to conduct business. Whenever either the

name, residence address or phone provided by a licensee on his license application changes, the licensee shall notify the city in writing within 15 days of such a change and provide the city with the new name, address or phone.

SECTION 3. The Reno City Council hereby finds that this ordinance is not subject to the requirements of Chapter 237 of NRS, Business Impact Statement process.

SECTION 4. This Ordinance shall be in effect on _____, from and after its passage, adoption and publication in one issue of a newspaper printed and published in the City of Reno.

SECTION 5. The City Clerk and Clerk of the City Council of the City of Reno is hereby authorized and directed to have this Ordinance published in one issue of the Reno-Gazette Journal, a newspaper printed and published in the City of Reno.

PASSED AND ADOPTED this ____ day of _____, 2017, by the following vote of the Council:

AYES: _____
NAYS: _____
ABSTAIN: _____ ABSENT: _____

APPROVED this ____ day of _____, 2017.

HILLARY SCHIEVE
MAYOR OF THE CITY OF RENO

ATTEST:

ASHLEY D. TURNEY
CITY CLERK AND
CLERK OF THE CITY COUNCIL
OF THE CITY OF RENO,
NEVADA

EFFECTIVE DATE: